



**JONATHAN E. FIELDING, M.D., M.P.H.**  
Director and Health Officer

**JONATHAN E. FREEDMAN**  
Chief Deputy Director

313 North Figueroa Street, Room 708  
Los Angeles, California 90012  
TEL (213) 240-8156 • FAX (213) 481-2739

[www.publichealth.lacounty.gov](http://www.publichealth.lacounty.gov)

August 11, 2009

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

21

AUGUST 11, 2009

  
SACHI A. HAMAI  
EXECUTIVE OFFICER



BOARD OF SUPERVISORS

**Gloria Molina**  
First District

**Mark Ridley-Thomas**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT TO STANDARD AGREEMENT FROM THE STATE  
DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Approval of Amendment Number 2 to a Standard Agreement from the State Department of Alcohol and Drug Programs which will decrease funding for the alcohol and drug prevention and treatment programs within Los Angeles County.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chairman to sign Amendment Number 2 (Exhibit I) to the Negotiated Net Amount (NNA) and Drug/Medi-Cal (DMC) Standard Agreement Number 07-NNA19 (Combined NNA/DMC Agreement), from the State Department of Alcohol and Drug Programs (SDADP) to decrease Department of Public Health's (DPH) Alcohol and Drug Program Administration's (ADPA) funding for Fiscal Year (FY) 2008-09 by \$7,951,113, from \$144,022,355 to \$136,071,242, at no net County cost.
2. Delegate authority to the Director of DPH, or his designee, to accept and execute future amendments to the Combined NNA/DMC Agreement 07-NNA 19 that increase or decrease the State allocation by no more than 25 percent, subject to review and approval by County Counsel and Chief Executive Office, and notification to your Board.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

As a result of the Sobky v. Smoley federal ruling, the County is required to enter into agreements with all State-certified DMC service providers who request service contracts with the County. Under the Combined NNA/DMC Agreement, SDADP agrees to reimburse the costs of all DMC services provided to Medi-Cal beneficiaries. Approval of the recommended action will decrease funding for FY 2008-09 under the Combined NNA/DMC Agreement reflecting: (1) SDADP's projection of billings that will be submitted by Los Angeles County for DMC services for FY 2008-09 based on capacity and trends; and (2) reduced rates related to services for minor consent participants who are not eligible for Day Care Habilitative (DCH) services, but who will instead be served under the Outpatient Drug Free (ODF) modality. The current unit rate for DCH is \$61.16 and the current unit rate for ODF is \$28.30. There is also no limit on the number of individuals who may attend a group session in DCH, whereas the limit is 10 individuals for ODF.

### **IMPLEMENTATION OF STRATEGIC GOALS**

NNA/DMC Agreement supports Goal 2, Children, Family and Adult Well-Being and Goal 4, Health and Mental Health.

### **FISCAL IMPACT/FINANCING**

The current term of the Combined NNA/DMC Agreement is three years, effective July 1, 2007 through June 30, 2010. The total SDADP allocation to the County for the three-year term will decrease from \$404,637,166 to \$396,686,053. Approval of the recommended action will decrease funding for FY 2008-09 by \$7,951,113 from \$144,022,355 to \$136,071,242 (comprised of \$61,244,183 in Federal Block Grant Funds, \$35,477,638 in Federal DMC funds, and \$39,349,421 in State funds). There are no net County costs.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The terms of the current Combined NNA/DMC Agreement was determined by capacity, and the Agreement was signed by the Board on May 29, 2007. Both SDADP and County may amend or renegotiate the Combined NNA/DMC Agreement at any time to reflect changes in levels of funding or dedicated capacity.

On June 10, 2008, the Board approved an amendment to the FY 2007-08 Combined NNA/DMC Agreement 07-NNA19, which increased funding for FY 2007-08 by \$19,069,315, from \$120,772,748 to \$139,842,063.

On March 17, 2009, the Board approved an amendment to the FY 2008-09 Combined NNA/DMC Agreement 07-NNA19, which increased funding for FY 2008-09 by \$23,249,607, from \$120,772,748 to \$144,022,355.

On January 29, 2009, ADPA received the interim settlement of the Los Angeles County Combined NNA/DMC Agreement Cost Report for FY 2006-07.

On April 10, 2009, DPH filed a Notice of Appeal to SDADP related to denied claims for services provided to minor consent youths. These denied claims represent disallowed provider charges for providing services to persons SDADP determined to be ineligible for DMC/DCH services. Since program inception, agencies have been providing DMC/DCH services to minor consent youths, and SDADP has been approving and paying for them without expressing any concerns or problems.

On April 17, 2009, ADPA received Amendment Number 2 for FY 2008-09 from SDADP and was requested to have Amendment Number 2 returned by June 17, 2009. Upon receiving an extension request from DPH, SDADP granted an extension to DPH with a revised return date of August 31, 2009.

Exhibit I has been approved as to form by County Counsel.

### **CONTRACTING PROCESS**

Since the recommended NNA Amendment provides for the allocation of State monies directly to the County, advertisement on the Los Angeles County Online Web Site as a contracting opportunity for alcohol and drug abuse service providers is not appropriate.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval by your Board of the recommended action will amend the Combined NNA/DMC Agreement Amendment to decrease funding for DMC service agreements identified in this Agreement and will allow for the continuation of alcohol and drug prevention and treatment programs within the County. The decrease in funding for DMC service agreements is not expected to negatively impact the community because SDADP adjusts DMC funding under the NNA/DMC Agreement based on population need.

Honorable Board of Supervisors  
August 11, 2009  
Page 4

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jonathan E. Fielding", written over a horizontal line.

JONATHAN E. FIELDING, M.D., M.P.H.  
Director and Health Officer

JEF:er  
#01130

Attachment

c: Chief Executive Officer  
Acting, County Counsel  
Executive Officer, Board Offices

STATE OF CALIFORNIA  
STANDARD AGREEMENT AMENDMENT  
STD. 213 A (Rev. 6/03)

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED | Pages

AGREEMENT NUMBER	AMENDMENT NUMBER
07-NNA19	2
REGISTRATION NUMBER	

1. This Agreement is entered into between the State Agency and Contractor named below:  
STATE AGENCY'S NAME  
Department of Alcohol and Drug Programs (ADP)  
CONTRACTOR'S NAME  
County of Los Angeles
2. The term of this Agreement is: July 1, 2007 through June 30, 2010
3. The maximum amount of this agreement is: \$396,686,053  
(FY 2007-08-\$139,842,063; FY 2008-09- \$136,071,242; FY 2009-10 - \$120,772,748)
4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

Paragraph 3 of the contract face sheet is amended to decrease the FY 2008/09 contract amount by \$7,951,113 for a new FY 2008/09 amount of \$136,071,242 and a total contract amount not to exceed \$396,686,053.

**Paragraph 4 of the contract face sheet is amended to add the following:**



Exhibit A-1

The effective date of this amendment is July 1, 2008. All other terms and conditions shall remain unchanged and in full force and effect as previously set forth.

APPROVED AS TO FORM  
RAYMOND G FORTNER, JR., <sup>Acting</sup> County Counsel  
Robert Kalunjan

By Blaine T. Deputy

IN WITNESS WHEREOF, this Agreement is executed by the parties hereto.

CONTRACTOR'S NAME (If other than an individual, include partnership, etc.) <b>County of Los Angeles</b>		CALIFORNIA Department of General Services Use Only
BY (Authorized Signature) 	DATE SIGNED (Do not type) 8/11/09	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>DON KNABE CHAIRMAN, BOARD OF SUPERVISORS</b>		
STATE OF CALIFORNIA		
AGENCY NAME <b>Department of Alcohol and Drug Programs</b>		<input checked="" type="checkbox"/> Exempt per: DGS memo dated 7/10/96 and Welfare and Institutions Code 14087.4
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Brian Marshall-Winks, Manager, Fiscal and Administrative Services Branch</b>		
ADDRESS <b>1700 K Street, Sacramento, CA 95811-4037</b>		

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

SACHIA A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By *[Signature]*  
Deputy



**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

# 21

AUG 11 2009

*Sachia A. Hamai*  
SACHIA A. HAMAI  
EXECUTIVE OFFICER



**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**  
**Fiscal Year 2008-09 Negotiated Net Amount/Drug Medi-Cal V.2 Contract**

**COUNTY: Los Angeles**

<u>State Funds (July 1, 2008 to June 30, 2009) (12 Months)</u>	<u>Amounts</u>	<u>Totals/ PCA/Object Code</u>
<b><u>Regular State General Funds</u></b>		
State General Funds - NNA	\$1,586,664	50810/702.11
State General Funds - DMC	\$29,907,940	50812/702.10
<b>Total Regular State General Funds</b>		<b>\$31,494,604</b>
<b><u>Perinatal State General Funds</u></b>		
State General Funds - NNA	\$3,395,297	50813/702.21
State General Funds - DMC	\$742,073	50811/702.20
<b>Total Perinatal State General Funds</b>		<b>\$4,137,370</b>
<b><u>Other State General Funds</u></b>		
Women and Children's Residential Treatment Services Funds	\$2,132,532	50813/702.22
Parolee Services Network Funds	\$1,584,915	50859/702.18
<b>Total Other State General Funds</b>		<b>\$3,717,447</b>
<b>TOTAL STATE GENERAL FUNDS</b>		<b>\$39,349,421</b>
<b><u>Federal Funds</u></b>		
<b><u>SAPT Block Grant - 93.959 (FFY 2009 Award) (October 1, 2008 to June 30, 2010 - 21 Months)</u></b>		
SAPT Female Offender Treatment Services - FFY 2009 Award	\$382,458	50863/702.40
SAPT Discretionary - FFY 2009 Award	\$35,854,740	50863/702.30
SAPT Adolescent/Youth Treatment Program - FFY 2009 Award	\$1,597,462	50863/702.49
SAPT Friday Night Live - FFY 2009 Award	\$75,000	50862/702.32
SAPT Club Live - FFY 2009 Award	\$75,000	50862/702.33
SAPT Primary Prevention Set-Aside - FFY 2009 Award	\$12,846,817	50862/702.31
SAPT HIV Set-Aside - FFY 2009 Award	\$4,402,623	50863/702.35
SAPT Perinatal Set-Aside - FFY 2009 Award	\$3,704,357	50864/702.36
SAPT Special Projects - FFY 2009 Award	\$0	Various/702.45
SAPT SATTA Funding (Discretionary/Drug Testing) - FFY 2009 Award	\$2,305,726	50863/702.52
<b>Total SAPT Block Grant - FFY 2009 Award</b>		<b>\$61,244,183</b>
<b><u>Federal Drug Medi-Cal Funds (Reimbursement) (July 1, 2008 to June 30, 2009) (12 Months)</u></b>		
Drug Medi-Cal (Federal Share Only)	\$34,455,074	50894/702.10
Perinatal Drug Medi-Cal (Federal Share Only)	\$1,022,564	50895/702.20
<b>Total Federal Drug Medi-Cal Funds</b>		<b>\$35,477,638</b>
<b>TOTAL FEDERAL FUNDS</b>		<b>\$96,721,821</b>
<b>GRAND TOTAL - ALL FUNDS</b>		<b>\$136,071,242</b>